

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

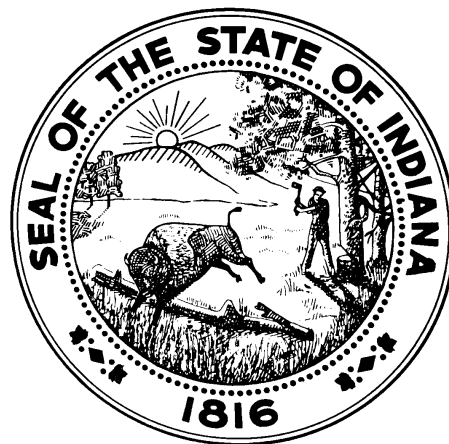
EXAMINATION REPORT

OF

TOWN OF NEW ROSS

MONTGOMERY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
07/15/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rebecca Lowe	01-01-04 to 12-31-11
President of the Town Council	Jerry Kinhead	01-01-06 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW ROSS, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Ross (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

June 2, 2008

TOWN OF NEW ROSS
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 66,249	\$ 43,735	\$ 37,533	\$ 72,451
Motor Vehicle Highway	18,121	14,239	13,296	19,064
Local Road and Street	7,126	1,818	-	8,944
Law Enforcement Continuing Education	503	22	133	392
Cumulative Capital Improvement	1,250	1,193	1,438	1,005
Cumulative Capital Development	8,463	2,442	114	10,791
Proprietary Funds:				
Electric Utility - Operating	152,682	215,212	163,025	204,869
Electric Utility - Depreciation	35,890		18,128	17,762
Electric Utility - Reserve	11,801		1,950	9,851
Electric Utility - Customer Deposit	14,605	1,550	1,015	15,140
Wastewater Utility - Operating	122,329	89,359	81,216	130,472
Wastewater Utility - Reserve	10,348	4,353	-	14,701
Wastewater Utility - Sinking	12,776	43,528	39,421	16,883
Wastewater Utility - Improvement	10,170	4,353	-	14,523
Fiduciary Fund:				
Levy Excess	-	1,570	-	1,570
Totals	<u>\$ 472,313</u>	<u>\$ 423,374</u>	<u>\$ 357,269</u>	<u>\$ 538,418</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 72,451	\$ 30,505	\$ 42,346	\$ 60,610
Motor Vehicle Highway	19,064	14,617	12,558	21,123
Local Road and Street	8,944	1,823	453	10,314
Law Enforcement Continuing Education	392	-	-	392
Cumulative Capital Improvement	1,005	1,173	87	2,091
Cumulative Capital Development	10,791	1,119	2,457	9,453
Proprietary Funds:				
Electric Utility - Operating	204,869	231,540	254,461	181,948
Electric Utility - Depreciation	17,762	-	2,885	14,877
Electric Utility - Reserve	9,851	-	-	9,851
Electric Utility - Customer Deposit	15,140	2,050	1,158	16,032
Wastewater Utility - Operating	130,472	86,199	89,811	126,860
Wastewater Utility - Reserve	14,701	4,309	-	19,010
Wastewater Utility - Sinking	16,883	43,100	39,475	20,508
Wastewater Utility - Improvement	14,523	4,309	-	18,832
Fiduciary Fund:				
Levy Excess	1,570	-	-	1,570
Totals	<u>\$ 538,418</u>	<u>\$ 420,744</u>	<u>\$ 445,691</u>	<u>\$ 513,471</u>

The accompanying notes are an integral part of the financial information.

TOWN OF NEW ROSS
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, light, wastewater, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

TOWN OF NEW ROSS
NOTES TO FINANCIAL INFORMATION
(Continued)

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

TOWN OF NEW ROSS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Wastewater Treatment Plant	\$ 660,000	\$ -

TOWN OF NEW ROSS
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

Receipts were not issued for any state distributions received by the Town in 2007.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

TOWN OF NEW ROSS
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2008, with Rebecca Lowe, Clerk-Treasurer. The official concurred with our findings.